



Media Release 3 August 2012

### **Viterra 2012/13 Storage and Handling Fees**

Grain Producers SA Ltd (GPSA) CEO, Darren Arney, said a preliminary review of the Viterra Storage and Handling reference prices released yesterday, indicated an approximate increase of 90 cents per tonne.

“Some may consider this a modest rate of 2% year on year increase, however the storage and handling fees have been increased significantly over the past few years” he said.

“Last calendar year, Viterra generated a global pipeline margin in their grains business of approximately \$35 per tonne. This further increase in storage and handling fees is consistent with Viterra’s goal to increase that margin, which comes at the expense of grain producer returns” he said.

The reference prices are released in accordance with the Port Terminal Services Access Undertaking submitted by Viterra to the Australian Competition and Consumer Commission (ACCC). The Access Undertakings are required under the federal Wheat Export Marketing Act 2008 (WEMA).

The WEMA Act allows for the ACCC to monitor compliance and arbitrate access disputes where appropriate.

Mr Arney urged accredited exporters to negotiate on behalf of grower customers for lower access costs. The provision of the WEMA allows the ACCC to arbitrate on negotiations around the reference prices.

“We would encourage pool operators in particular to seek the lowest charges as possible to maximise returns to growers. We would also encourage growers to ask their grain buyers to seek the lowest storage and handling charges, as ultimately grain prices reflect these fees” said Mr Arney.

Earlier this year the federal government introduced the Wheat Export Marketing Amendment Bill 2012, that would replace the WEMA Act.

“GPSA does not support the Wheat Marketing Amendment Bill in its current form, as it removes some of the protection afforded grain producers under the WEMA” said Mr Arney.

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#### **About Grain Producers SA Limited**

Grain Producers SA (GPSA) seeks to represent all grain producers in South Australia. A poll of grain producers in September 2011, indicated 90% support from South Australian grain growers, for GPSA to be the peak grains body representing grain producers in South Australia.

GPSA is a not-for-profit, South Australian organisation, seeking to improve the profitability and sustainability of all grain producers in South Australia.

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